

The Alameda Corridor Project

Alameda Corridor Program

Who/What is it?

- California JPA Created by Los Angeles and Long Beach
- 20 Miles of Double Mainline Track for Use by Transcontinental Railroads
- 16 Grade Separations
- Trench Section North of Route 91 Fwy
- Improvements to Alameda Street

Overview of Project Highway Rejuvenation

- Reconstruction of Alameda Street from Interstate 10 South to State Route 91
- Widening of Alameda Street from 4 to 6 Lanes South of Route 91 to Ports Complex
- Enhanced Signalization and Left Turn Pockets Improve Traffic Flow
- Makes Use of Existing Right-Of-Way

Overview of Project

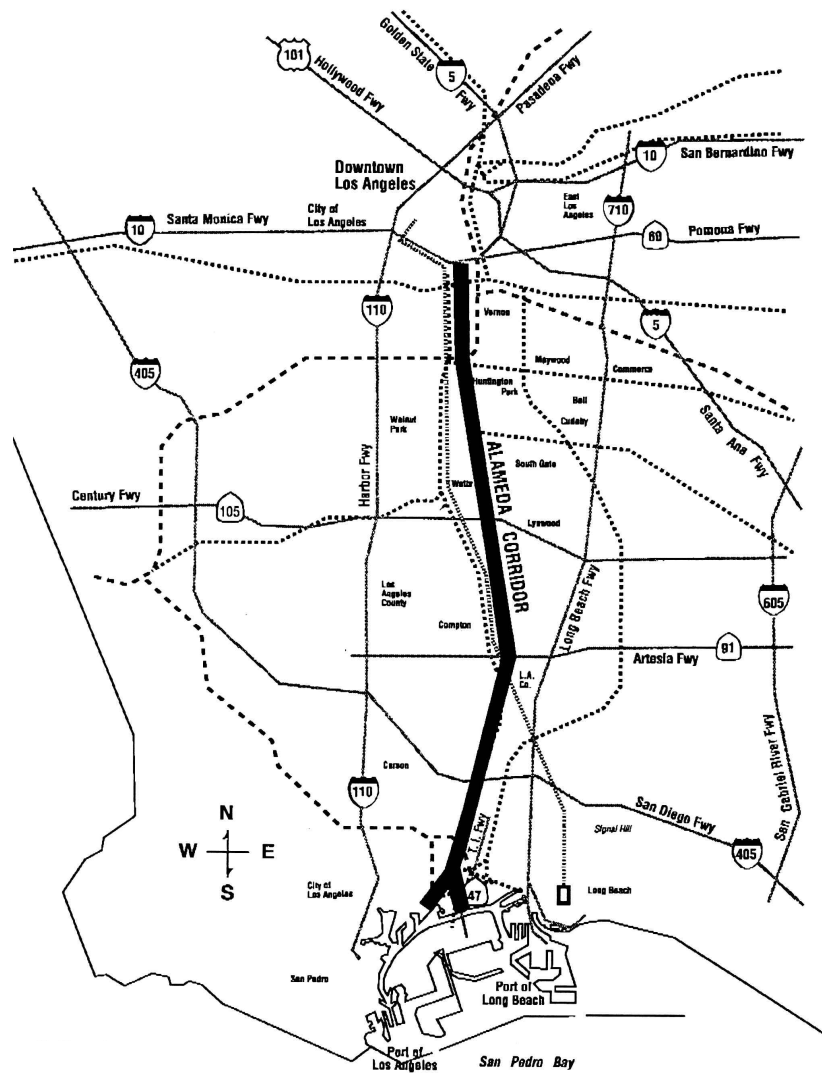
Consolidation of Rail Traffic

- 1 Main Route Replaces 3 Lines
- Eliminates 200 At Grade Intersections with Surface Streets
- High Speed Double Track Main Line with Centralized Control
- Depressed Railway Trench for State Route 91 North to Los Angeles
- East-West Street Overpasses South of State Route 91

Alameda Corridor

Railroads

- ■ ■ ■ ■ Burlington Northern Santa Fe R/R
- ▬▬▬▬▬▬▬ Union Pacific R/R
- ▬▬▬▬▬▬▬ Blue Line



Estimated Sources of Funds (in Millions)

	<u>Grants</u>	<u>Loans</u>
• Ports	\$394	
• MTA	347	
• Interest Income and Other		
State/Federal Sources	123	
• U.S. DOT Loan		\$400
• Bonds: Sr Tax Exempt		494
Sr Taxable		500
Subordinate	<u> </u>	<u>167</u>
Total	<u>\$864</u>	<u>\$1,561</u>

How are Loans/Debt Repaid?

- Project Financing - No General Pledge of Any Entity
- Corridor Use Fees and Container Charges - Paid by Railroads

Containers:	-Loaded	\$30.00
	-Empty	\$8.00

Other Loaded Rail Cars: \$8.00

- Shortfall Advances - Paid by Ports If Use Fees and Container Charges Not Sufficient
- Up to 40% of Debt Service On:
 - Revenue Bonds
 - Federal Loan
- POLA/POLB Do Not Pay or Guarantee ACTA's Debt

\$400 Million DOT Funding Subordinate Loan

- Structure Taxable Amortizing
- Term 30 Years
- Rate 10-Year Treasury Bond for 5 years
converting to 30-year Treasury Bond
- Guarantees None by Cities or Ports
- Use of Proceeds General Design, Engineering,
Construction or ACTA Administration
- Draw Dates
\$140 Million FFY 97- 9/97
\$140 Million FFY 98 - 9/98
\$120 Million FFY 99
- Source of Payment ACTA Rail Use Fee and Port
Payments to ACTA

Comparison

TIFIA

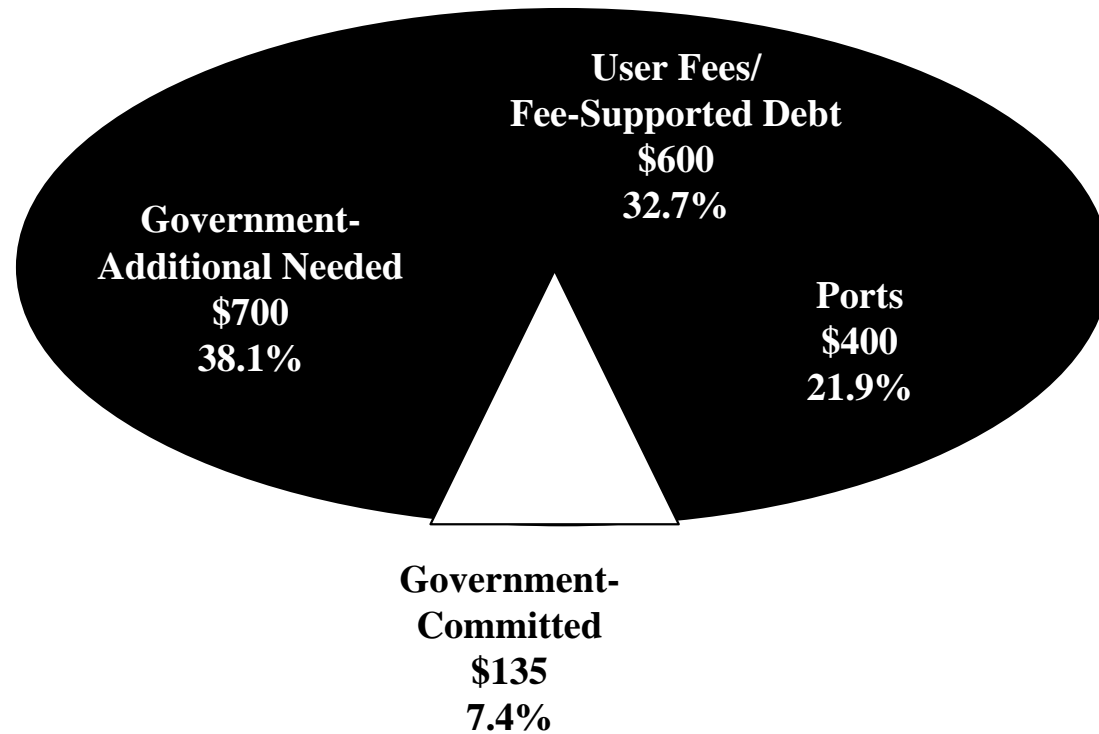
- Submit Project Description
- Submit Application
- Evaluation & Presentation
- Ranking & Recommendation

ACTA Experiences

- Discussion of Project
- Create “Application”
- Evaluation & Presentation
- Grant is Spelled “L-O-A-N”

Distribution of Sources

Over 50% of Funding is Provided by Ports and Port Users
(Millions)



TOTAL = \$1,835 Million

Comparison

TIFIA

- Selection & Negotiate Terms
- Ratify Term Sheet
Obligate Funds
- Formal Credit Agreement
- DOT Disburses Funds

ACTA Experiences

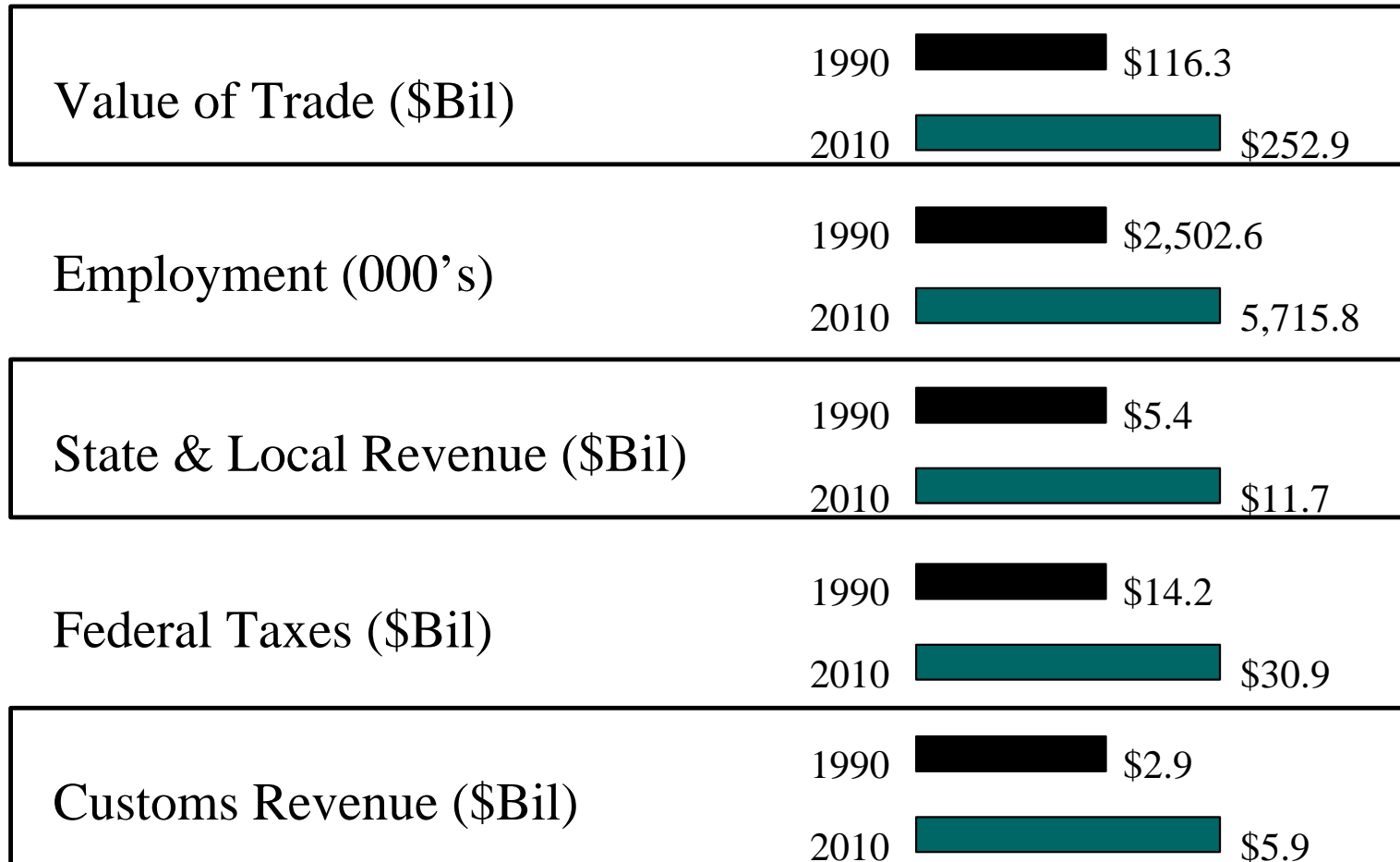
- DOT Recommends Strategy to Amend Sec. 1132 of ISTEA
- Negotiate Term Sheet & Structure
- OMB Scoring
- Congressional Effort of Fund Scoring Requirement
- Formal Loan Agreement
- DOT Disburses Funds

National Impact/Local Coalition

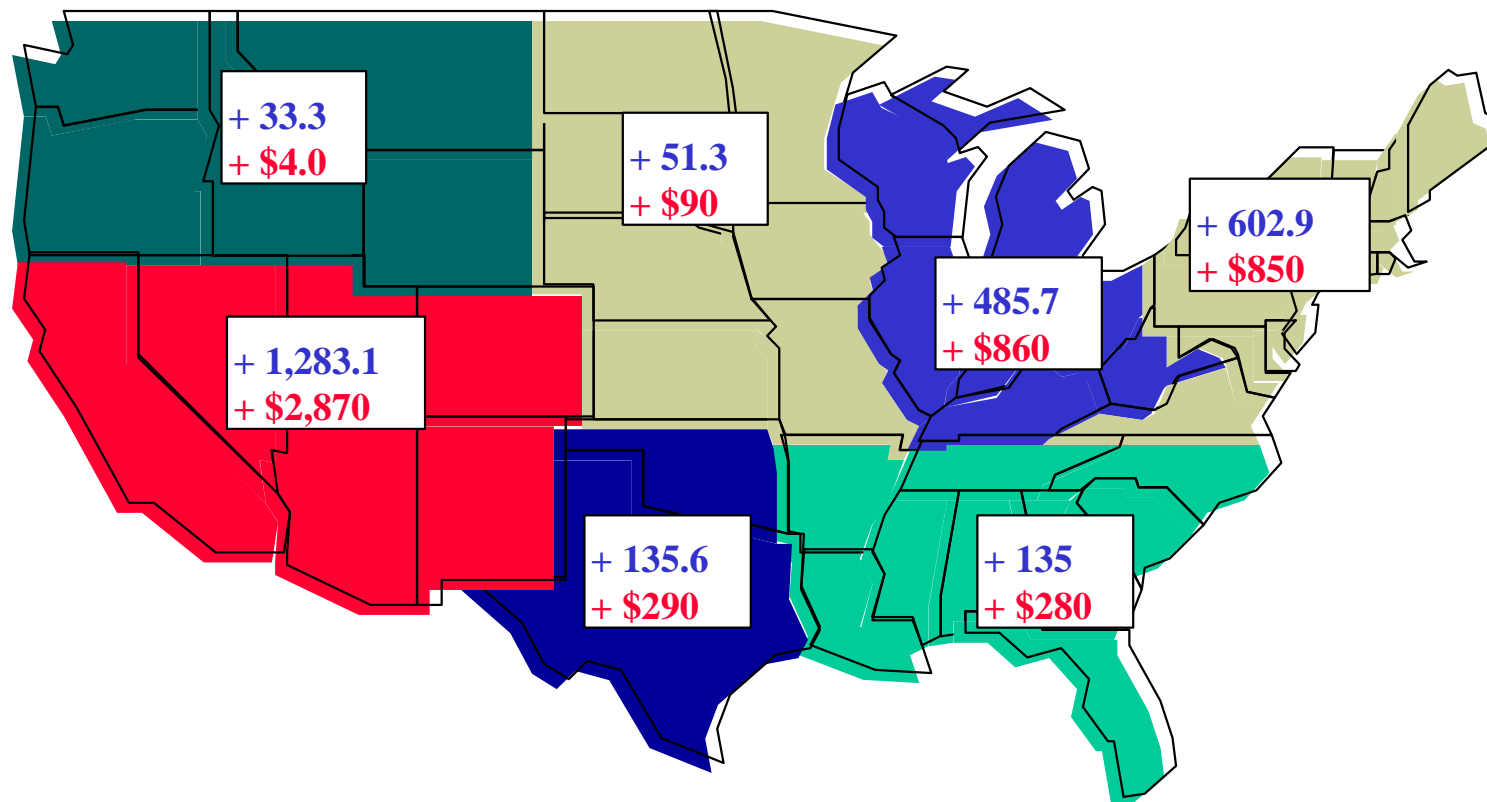
- ACTA - A National Priority
- State by State Impacts
- Regional/Local Benefits
 - Traffic
 - Safety
 - Environmental
 - Economics

National Impacts of Trade

San Pedro Bay Ports



National Impacts of Trade in San Pedro Ports
Growth in Employment and Revenues by Region
1990 to 2010



= Employment in Thousands

= State & Local Revenue in Millions

The ACTA Team

- Gill Hicks & Port Staff - to 1997
- Small Staff & Consultants - 1997 Forward
- Engineering Support - RFP - DMJM/M&N
- Financial Support
 - RFP - 9 Responses - No Fee
 - PaineWebber / Goldman Sachs

Preliminary Ratings - 1996

- ACTA Asked for 3 Ratings and Got 2
- Ratings Prepared by Credit Professionals Outside and Independent of Political Influence
- Information/Communication - Vital to Success
- Documents
 - Rail MOU
 - Purchase Agreements
 - DOT Loan Term Sheet
 - Comprehensive Financial Model
- Rating Letters will be Qualified

DOT Package

- Plan of Finance
- Financial Model
- Application for Federal Funds
- Econometric Price Sensitivity
- Brochures

Lessons Along the Way

- OMB Scoring
 - ACTA Did Not Understand OMB
 - OMB Did Not Understand ACTA
 - DOT Was the Mediator
- EIR & EIS - DO Both

Stimulants to Success

- Project of Substance
 - Railroads Pay Real \$ for Real Benefits
- POLA/POLB Cash Commitment - \$400 Million
- Political Coalition
 - Local
 - Regional
 - National
- Real Benefits Result in Comprehensive Commitment